

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Greater Wayne Co. Economic Dev. Corp.	County Wayne
Audit Date 9/30/05	Opinion Date 3/2/06	Date Accountant Report Submitted to State: 3/31/06	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

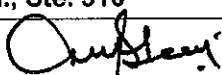
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Alan C. Young & Associates, PC			
Street Address 2990 W. Grand Blvd., Ste. 310		City Detroit	State MI
Accountant Signature 		ZIP 48202	Date 3/31/06

**GREATER WAYNE COUNTY ECONOMIC
DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
SEPTEMBER 30, 2005
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Greater Wayne County Economic Development Corporation
Detroit, Michigan

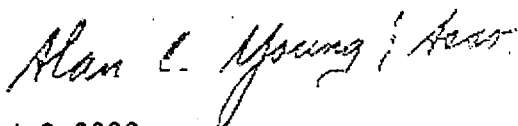
We have audited the accompanying financial statements of the Greater Wayne County Economic Development Corporation (GWEDC), (a component unit of the County of Wayne, Michigan) as of and for the year ended September 30, 2005, as listed in the table of contents. These financial statements are the responsibility of GWEDC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GWEDC as of September 30, 2005, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedule (identified in the table of contents) are not required parts of the basic financial statements, but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 2, 2006 on our consideration of GWEDC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



March 2, 2006
(Except for Note 3, as to which the date is July 12, 2006)

**GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2005**

As management of the GWEDC, we offer this narrative overview and analysis of the financial activities of GWEDC for the year ended September 30, 2005. Readers are encouraged to read it in conjunction with the accompanying basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two types of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of GWEDC as a whole and present a longer-term view of the Organization's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending.

The financial statements consist of the *General fund Balance Sheet / Statement of Net Assets*, the *Statement of General Fund Revenues, Expenditures and Changes in Fund balance / Statement of Activities* and the *Statement of Cash Flows*.

The *Statement of Net Assets* presents information on all of the assets and liabilities of GWEDC, with the difference between the two reported as *net assets*. Net assets can be thought of as one way of measuring the financial strength of GWEDC. Increases or decreases in net assets over time may serve as a useful indicator of whether the financial condition of GWEDC is improving or deteriorating.

The *Statement of Activities* presents information showing how the net assets of GWEDC have changed over the course of the most recent fiscal year. All changes in net assets are recognized as soon as the underlying transactions take place, regardless of the timing of the related cash flows. As a result, certain revenues and expenses reported in these statements are related to items that will only result in cash flows in future years.

The *General Fund Balance Sheet and Statement of General Fund Revenues, Expenditures and change in Fund Balance* present information on the modified accrual basis of accounting. This methodology is focused primarily on the current use of available resources. For the year ended September 30, 2005, there were no reconciling items between these statements and the full accrual statements described above.

The *Statement of Cash Flows* presents detailed information about the changes in the cash position of GWEDC during the year.

The *Notes to the Financial Statements* provide additional information that is essential to gain a full understanding of the data presented in both the government-wide and fund financial statements and begin on page 4 of this report.

FINANCIAL OVERVIEW

It is important to recognize the mission of GWEDC when analyzing its financial position. GWEDC is funded primarily by Wayne County and was created on November 22, 2004 for the purpose of administering economic development program and function in Michigan. Since this is the first financial audit of GWEDC, the discussion and analysis contains no comparisons to the prior year. Future reports will include extensive financial comparisons as required by the Governmental Accounting Standards Board.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2005
(Continued)

FINANCIAL OVERVIEW (Continued)

The assets of GWEDC exceeded its liabilities by \$16,154 at September 30, 2005.

ASSETS

Current Assets	<u>\$123,606</u>
Total Assets	<u><u>\$123,606</u></u>
LIABILITIES AND NET ASSETS	
Current Liabilities	<u>\$107,452</u>
Total Liabilities	107,452
Net Assets - Unrestricted	<u>16,154</u>
Total Liabilities and Net Assets	<u><u>\$123,606</u></u>

As indicated in the following schedule, the net assets of GWEDC increased by \$16,154 for the year ended September 30, 2005. The increase is attributable primarily to sponsorship income.

CHANGES IN NET ASSETS

Contributions - Wayne County	235,578
Sponsorship Income	28,999
Interest Income	126
Operating Expenses	<u>(248,549)</u>
Net Income from Operations	16,154
Net Assets - Beginning of Year	<u>0</u>
Net Assets - End of Year	<u><u>\$16,154</u></u>

**GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
MANAGEMENT DISCUSSION & ANALYSIS
SEPTEMBER 30, 2005
(Continued)**

CAPITAL ASSET

GWEDC did not purchase any assets that exceeded its capitalization threshold during the year ended September 30, 2005.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

GWEDC has an operating budget of \$511,000 for the year ended September 30, 2006. GWEDC plans on continuing to build and grow economic development programs throughout fiscal year 2006.

CONTACTING THE MANAGEMENT OF GWEDC

This financial report is designed to provide the citizens, taxpayers, investors, creditors and others with a general overview of the finances of GWEDC. Questions concerning any information contained in this report or requests for additional information should be addressed to the attention of the Office Administrator at the following address: Greater Wayne County Economic Development Corporation, 600 Randolph, Suite 323, Detroit, MI. 48226. Requests can also be made by phone at 313-224-0745.

**GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
GENERAL FUND BALANCE SHEET /
STATEMENT OF NET ASSETS
YEAR ENDED SEPTEMBER 30, 2005**

	<u>General Fund, Modified Accrual Basis</u>	<u>Adjustments</u>	<u>Statement of Net Assets, Full Accrual Basis</u>
ASSETS			
Current Assets:			
Cash & Cash Equivalents (Note 2)	\$22,481	\$0	\$22,481
Accounts Receivable	<u>101,125</u>	<u>0</u>	<u>101,125</u>
Total Assets	<u><u>\$123,606</u></u>	<u><u>0</u></u>	<u><u>123,606</u></u>
 LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accounts Payable	\$104,770	0	\$104,770
Accrued Payroll	<u>2,682</u>	<u>0</u>	<u>2,682</u>
Total Liabilities	<u><u>107,452</u></u>	<u><u>0</u></u>	<u><u>107,452</u></u>
 Fund Balance - Undesignated	<u>16,154</u>	<u>(16,154)</u>	<u>0</u>
Total Liabilities and Fund Balance	<u><u>\$123,606</u></u>	<u><u>(16,154)</u></u>	<u><u>107,452</u></u>
 Net Assets - Unrestricted		<u>16,154</u>	<u>16,154</u>
Total Net Assets		<u><u>\$16,154</u></u>	<u><u>\$16,154</u></u>

The accompanying notes are an integral part of these financial statements.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF GENERAL FUND REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2005

	General Fund, Modified Accrual Basis	Adjustments	Statement of Activities, Full Accrual Basis
REVENUE			
Operating Revenues:			
Contributions - Wayne County	\$235,578	\$0	\$235,578
Sponsorship Income	28,999	0	28,999
Total Operating Revenues	<u>264,577</u>	<u>0</u>	<u>264,577</u>
Expenditures			
Operating Expenditures:			
Salaries and Wages	74,099	0	74,099
Fringe Benefits	20,970	0	20,970
Payroll Processing Fees	607	0	607
Contract Services	1,959	0	1,959
Professional Services	48,898	0	48,898
Advertising	1,700	0	1,700
Dues and Subscriptions	9,536	0	9,536
Equipment	28,649	0	28,649
Repairs and Maintenance	47,426	0	47,426
Office Supplies	2,753	0	2,753
Postage & Delivery	41	0	41
Telephone	556	0	556
Travel and Meeting Expenses	9,155	0	9,155
Bank Service Charges	157	0	157
Miscellaneous	2,043	0	2,043
Total Operating Expenditures	<u>248,549</u>	<u>0</u>	<u>248,549</u>
Operating Income	16,028	0	16,028
Nonoperating Revenues (Expenses):			
Interest Income	126	0	126
Total Nonoperating Revenue (Expenses)	<u>126</u>	<u>0</u>	<u>126</u>
Change in Fund Balance / Net Assets	16,154	0	16,154
Fund Balance / Net Assets - Beginning of Year	0	0	0
Fund Balance / Net Assets - End of Year	<u>\$16,154</u>	<u>\$0</u>	<u>\$16,154</u>

The accompanying notes are an integral part of these financial statements.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2005

CASH FLOWS FROM OPERATIONS

Contributions - Wayne County	\$134,453
Sponsorship Income	28,999
Payments	(141,097)
Interest Income	<u>126</u>
Net Cash Provided by Operating Activities	<u>22,481</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 22,481
 Cash and Cash Equivalents, Beginning of Year	 <u>0</u>
 Cash and Cash Equivalents, End of Year	 <u><u>\$22,481</u></u>

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$16,154
Adjustments to Reconcile Operating Income to Net Cash Flows from Operating Activities	
Change in Accounts Receivable	(101,125)
Change in Accounts & Payable	<u>107,452</u>
Total Adjustments	<u>22,481</u>
 Net Cash Provided by Operating Activities	 <u><u>\$22,481</u></u>

The accompanying notes are an integral part of these financial statements.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Greater Wayne County Economic Development Corporation (GWEDC) was created on November 22, 2004 as a Michigan Public Body Corporate. It was created through an inter-local agreement between the Economic Development Corporation (EDC) of the Charter County of Wayne, the EDC of the City of Taylor and the EDC of the City of Detroit for the purpose of administering economic development programs and functions in Michigan. The GWEDC has one program, One-Stop Center, which receives general fund money from the County.

Legal Entity

GWEDC is a legal unit separate from the County of Wayne, Michigan. The financial statements of GWEDC will be incorporated in the financial statements of the County as a component unit.

Basis of Presentation

GWEDC has one fund, the General Fund, which is GWEDC's primary operating fund.

The General Fund is budgeted and accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, GWEDC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

In addition to presenting information for the General Fund on the modified accrual basis (as budgeted), the basic financial statements present information for GWEDC as a whole, using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Basis of Accounting

The Greater Wayne County Economic Development Corporation follows the rules promulgated by the Governmental Accounting Standards Board. Additionally, GWEDC follows all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) issued on or before November 30, 1989, unless pronouncements conflict with or contradict GASB. The periodic determination of revenues earned, expenses incurred, and net income is appropriate for management control and accountability; therefore, the proprietary fund model is followed, and the full accrual basis of accounting is used.

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2005
(Continued)

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are valued at their fair value plus accrued interest in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

2) CASH AND CASH EQUIVALENTS

The Organization's cash and cash equivalents as of September 30, 2005 are maintained in two bank accounts at a single institution.

This balance is insured by the Federal Deposit Insurance Corporation up to \$100,000. At September 30, 2005, the entire balance was insured.

3) REPORT RE-ISSUANCE

The originally issued report followed the "business type" activities reporting requirements of GASB Statement No. 34. It was subsequently determined that GWEDC would be better reflected utilizing the "governmental type" activities reporting requirements. All changes are the result of this revised reporting format.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MANAGEMENT
DISCUSSION & ANALYSIS (MD&A)**

GREATER WAYNE COUNTY ECONOMIC DEVELOPMENT CORPORATION
STATEMENT OF GENERAL FUND REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE / STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2005

	Originally Adopted Budget	Final Amended Budget	Actual Balance	Variance Favorable (Unfavorable)
REVENUE				
Operating Revenues:				
Contributions - Wayne County	\$300,000	\$300,000	\$235,578	(\$64,422)
Sponsorship Income	53,500	53,500	28,999	(24,501)
Total Operating Revenues	353,500	353,500	264,577	(88,923)
Expenditures				
Operating Expenditures:				
Salaries and Wages	115,000	115,000	74,099	40,901
Fringe Benefits	0	0	20,970	(20,970)
Payroll Processing Fees	0	0	607	(607)
Contract Services	5,000	5,000	1,959	3,041
Professional Services	50,000	50,000	48,898	1,102
Advertising	5,000	5,000	1,700	3,300
Dues and Subscriptions	0	0	9,536	(9,536)
Equipment	0	0	28,649	(28,649)
Repairs and Maintenance	0	0	47,428	(47,428)
Office Supplies	20,000	20,000	2,753	17,247
Postage & Delivery	0	0	41	(41)
Telephone	0	0	556	(556)
Travel and Meeting Expenses	0	0	9,155	(9,155)
Bank Service Charges	0	0	157	(157)
Miscellaneous	4,000	4,000	2,043	1,957
WCCCD Satellite Office	120,000	120,000	0	120,000
Building Rental	24,000	24,000	0	24,000
Membership	5,500	5,500	0	5,500
Professional Development	5,000	5,000	0	5,000
Total Operating Expenditures	353,500	353,500	248,549	104,951
Operating Income	0	0	16,028	16,028
Nonoperating Revenues (Expenses):				
Interest Income	0	0	126	126
Total Nonoperating Revenue (Expenses)	0	0	126	126
Change in Fund Balance / Net Assets	0	0	16,154	16,154
Fund Balance / Net Assets - Beginning of Year	0	0	0	0
Fund Balance / Net Assets - End of Year	\$0	\$0	\$16,154	\$16,154

The accompanying notes are an integral part of these financial statements.

**Alan C.
Young & Associates, P.C.**
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH LAWS AND REGULATIONS AND
INTERNAL CONTROL – BASIC FINANCIAL STATEMENTS**

To the Board of Directors of
Greater Wayne County
Economic Development Corporation
Detroit, Michigan

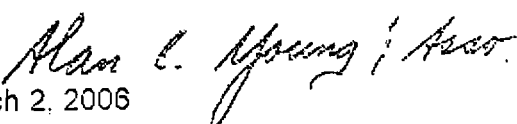
We have audited the financial statements of the Greater Wayne County Economic Development Corporation (GWEDC) (a component unit of the County of Wayne, Michigan) as of and for the year ended September 30, 2005 and have issued our report thereon dated March 2, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether GWEDC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered GWEDC's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.


March 2, 2006